

Appropriations Committee

March 1, 2023

Public Hearing on H.B. 6659 An Act Concerning the State Budget for the Biennium Ending June 30, 2025, and Making Appropriations Therefor.

Good afternoon Senator Osten, Representative Walker, Senator Berthel, Representative Nuccio and members of the Appropriations Committee.

My name is Emily Morrison, I am a Putnam resident and Director of Development at United Services, Inc.

Thank you for the opportunity to testify on H.B. 6659, the Governor's Budget. I am here to request that you increase funding for community nonprofits during the biennium by 9% in FY24, the first year, and 7% in FY25, the second year, index future increases to inflation and increase the Medicaid rates.

While we are grateful for the cost of living adjustments provided to nonprofits in the last two years, after so many years of flat or even negative funding by state agencies, we are still far behind. We are struggling to recruit and retain staff, especially clinical staff, to deliver critical programs to the region we serve because what the state pays for services – both in grant dollars and Medicaid funding- doesn't allow us to pay those staff competitively.

United Services is a nonprofit Community Behavioral Health Clinic serving 21 towns in northeastern Connecticut. We operate more than 30 programs under our one administration, including outpatient mental health for adults, children and families, substance abuse treatment, family services and parenting programs, crisis services, prevention programs and the region's only domestic violence program.

I am sure you have seen many headlines about the crisis in Children's Mental Health. We have seen dramatic increases in the number of people served and the acuity of need in our DCF programs. In the last two years, the number of children receiving mental health treatment in our Child Guidance Clinic has increased by 45%.

Our Juvenile Review Board, also known as JRB, diverts youth from the court system and has seen a 155% increase in youth served over the last two years. We are on track to double the number served this year over last year in our school truancy and JRB programs.

What we have not seen to correspond to these increases and this attention to Children's Mental Health is a correlating increase in funding.

Additionally, the YSB and JRB programs have always been underfunded. We supplement our program through fundraising and private grant dollars, which pays for an additional case manager position. If we were unable to do this, we never would be able to keep up with the demand we have seen in the past two years. Again, both in increasing numbers served and the acuity of the kids we are seeing, with histories of child abuse and past suicide attempts, just to name a few. I feel it is my responsibility to ask this question of you – if children's mental health

is a priority, why are these first line of defense programs, which intervene in juvenile justice and school truancy, not funded adequately?

United Services serves 6 towns in our YSB and JRB. But there are 3 neighboring towns, Chaplin, Hampton and Scotland, that do not have a designated YSB. We have been serving these three towns with our JRB without state funding, because otherwise these youth would have no services. Funding was allocated in the FY23 state budget for DCF to create a plan to expand YSB coverage to all 169 towns. DCF told us last month that the “funding and mechanism have yet to be sorted out” for this project.

I also want to speak to the Medicaid rates. About 72% of United Services clients have Medicare or Medicaid for their primary insurance, so the Medicaid rates are a critical component of our financial picture. Medicaid rates have not received adequate increases in recent years and have nowhere near kept up with inflation.

For the last several years and currently, the Medicaid line item has experienced significant lapses, or surpluses. In the current year, the lapse is currently anticipated to be \$200 million. Several weeks ago, the legislature voted to fund a hydrogen research project at UConn with \$12 million taken from the current year’s surplus in Medicaid. Why is the Medicaid program running such a significant surplus when the rates it pays for services don’t meet the cost of care?

We are also facing an extraordinary workforce shortage. Our programs are now in competition with Amazon, Target, and other retail jobs every day. Nonprofits have also been losing clinical staff to telehealth companies, school districts, hospitals, and private practice all because what the state pays for services – both in grant dollars and Medicaid funding- doesn’t allow us to pay those staff competitively. We’re also in competition with the State, which pays much higher rates than we are able to pay for the same positions. Why?

Thank you for the opportunity to provide my perspective on the budget. Please support increasing funding for community nonprofits by 9% in FY24 and 7% in FY25, index future increases to inflation and increase the Medicaid rates.